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CUBA:
Official Version of 1989 Housing Law

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SUPPLEMENT
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[For the 1984 Housing Law, see JPRS-LAM-85-014, 12 Feb 85]

[Text] Severo Aguirre del Cristo, vice president of the National Assembly of the People's Government of the Republic of Cuba, serving as president based on a regulatory substitution during the fourth regular period of sessions of the Third Legislature.

I announce: that the National Assembly of the People's Government, at its 23 December 1988 session of the aforementioned period of sessions, has approved the following:

Whereas: In his summation on the occasion of the Moncada exploit, known as "History Will Absolve Me," the chief of the Cuban Revolution condemned the system of exploitation that was prevailing in Cuba, displaying the gloomy spectacle of wretched housing inhabited by a large part of the population, and the extortion represented by the business of renting housing space. He proclaimed that the ideal in the city is for every family to live in its own house or apartment.

Whereas: The Urban Reform Law of 1960 definitively ended the speculative factors in our country perverting the social purpose which investment in housing should serve and, responding to the desires of all the people, converted those then occupying their dwellings as tenants into owners thereof.

Whereas: Law No 48 of 27 December 1984, the General Housing Law, authorized the transfer of ownership of the dwellings to the onerous usufructuaries and legitimate occupants, and the surrender of ownership of the dwellings, to be henceforth allocated by the state for such purposes; and legalized de facto situations of housing occupation which, up until then, had not had a legal solution; for this purpose carrying out all over the country an extensive process that converted over 750,000 families into owners.

Whereas: With the transfer of ownership of occupied dwellings virtually completed at the time of the promulgation of Law No 48, and with the groundwork laid for the attainment of other proposed goals, it is fitting, after nearly 4 years of implementation, to revise the regulations contained in that law, and to incorporate other new ones that practical experience advises for establishment, aimed at intensifying the control that the state must wield over operations involving housing, as well as defining the state's decisive participation in the solution to the country's housing problem.

Whereas: It has become necessary to include the minibrigades in the regulations for housing construction and repair because, given the features of our country, they constitute the principal means for expanding the plan for construction of housing and social projects, and also for repairing and rebuilding housing structures.

Whereas: Personal ownership of housing must be understood in the true sense of that type of ownership, under the concrete conditions of the construction of socialism in our country; in other words, essentially as the right of the owner and his family to benefit from a dwelling without in any way converting the right to personal ownership of the dwelling into a device for the amassment of wealth or for exploitation.

Therefore: The National Assembly of the People's Government resolves the following:

General Housing Law

Chapter I

On Principles and Objectives

Article 1. The regulations contained in this law are based on the principle that the socialist state is striving to see to it that there is no family without a comfortable dwelling, and, for this purpose, is planning, organizing, and promoting the construction and repair of housing by:the minibrigades; the enterprises and other state entities; the agricultural-livestock production cooperatives; and the population's own effort.

Article 2. The right to a dwelling will be exercised in the manner and based on the requirements stipulated in this law.

It will be legitimate to have, in addition to that for permanent occupation, the ownership of another dwelling located in an area intended for rest or summer vacation. Apart from that opportunity, the one specified for small farmers and cooperative members, and instances involving linked dwellings, no one will be entitled to own more than one dwelling.

Article 3. The basic objectives of this law are:

a) To foster the solution to the housing shortages with an increase in housing construction by the state, through the action of the community and population; and, to promote this goal, the maximum participation of the workers organized into minibrigades, and housing construction through the population's own efforts;

b) To foster the conservation and recovery of the housing supply by the state, through the action of the community and population, both individually and organized into minibrigades for the recovery of dwellings and multifamily buildings;

c) To establish regulations on the transfer of ownership of vacant lots, so as to preserve them for the country's economic and social development plans, and also to arrange the pertinent compensation to their owners when the latter cannot dispose of them;

ch) To establish the rules for the transfer of ownership of dwellings that the state has built or that are disposible;

d) To establish the legal system for housing owned by the state that is turned over for rental;

e) To promote the settlement of personnel from work centers or military units, through a special category of linked housing or its allocation as basic resources of those entities;

In addition to the rulings pertaining to the basic objectives listed in the preceding paragraphs, this law contains regulations on:

f) The legal system for personally owned housing;

g) Multifamily buildings;

h) Housing in rural areas;

i) Housing located in areas of great importance for tourism;

j) Registration of housing ownership; and,

k) The procedures for settling claims, declarations of rights, and lawsuits involving housing.

Article 4. To foster the attainment of this law's objectives, the National Housing Institute is the agency of the Central State Administration responsible for directing, executing, and controlling the implementation of the state and government policy on housing.

Chapter II

Housing Construction and Repair

First Section

General Provisions

Article 5. The socialist state promotes and encourages the organized workers' mass partcipation in minibrigades for the construction and repair of housing and other projects. The socialist state also promotes and encourages the activities of conservation, reconstruction, remodeling, expansion, and construction of housing through the community's action and the effort of the population iself, with priority for the workers and other sectors based on their contribution to society and their housing needs. The National Housing Institute will regulate those activities.

Article 6. For purposes of this law, the following definitions will be used:

a) Conservation: the combined maintenance or repair work done on a dwelling or multifamily building to protect it from wear and to prolong its useful life.

b) Remodeling: all interior or exterior construction or repair of a dwelling or multifamily building that changes its layout or original appearance, making structural changes in it.

c) Expansion: all new construction annexed to the original dwelling that is an integral part of it and is connected to it by a door, hallway, stairway, or other other constructive solution.

ch) Construction: any new building intended for the residence of one or more individuals or families.

d) Reconstruction: constructive action carried out on a dwelling or multifamily building which is in an advanced state of deterioration or uninhabitable, to replace or reconstruct some of its component parts, totally or partially, in order to recover its usefulness and reincorporate it into the supply of useful housing.

e) Multifamily building: any building with several floors in which there are independent dwellings each of which occupies all or part of a floor; or those with a single floor containing several dwellings that have common service facilities.

f) Own effort: the constructive or financial activity of one or more natural persons for the construction, expansion, remodeling, conservation, and reconstruction of dwellings for the express purpose of inhabiting them.

g) Vacant lots: any portion of land on which there is no building, or, if the latter exists, it is insignificant, staked out as such in a population settlement. Land annexed to other land built on, forming a physical property unit, and recorded as such in the registry of property, will not be considered a vacant lot.

h) Minibrigade: a voluntary organization for the purpose of building dwellings and other projects, or of conserving, reconstructing and remodeling them.

Article 7. In cases where, owing to a poor technical condition or by reason of collapse, the Directorate of Architecture and Urban Development decides that there is a danger to the occupants of a dwelling, the Municipal Housing Directorate will notify those occupants of their obligation to abandon it within the period specified, so that the property may be repaired or demolished, whichever is necessary, for which reason they must be relocated to another dwelling, if there is one, or temporarily placed in shelters equipped for this purpose.

In the event that the occupants have not met that obligation, the Municipal Housing Directorate will undertake to evict them, with the aid of the National Revolutionary Police, if necessary.

Second Section

On Minibrigades for Housing Construction and Conservation

Article 8. The minibrigades constitute a movement with extensive participation by the masses to solve housing problems and to construct social and other types of projects. Depending on their basic objectives, they may be organized into:

a) Workers minibrigades, to construct housing and other projects of socioeconomic importance;

b) Social minibrigades, for the construction, conservation, remodeling, and reconstruction of housing structures and social projects;

The minibrigades may be surbordinate to the local organs of the people's government, or to another construction entity to be decided by the government, which will be responsible for their organization and operation, as well as for the planning, management, and control of the material, labor, and financial resources required to serve the purposes for which they have been created.

The National Housing Institute, following coordination with the Central Organization of Cuban Trade Unions, will regulate the general bases for the organization and operation of the minibrigades, and for the individual assignment of the dwellings that the latter construct.

Article 9. The minibrigades for the construction of housing and other projects of social and economic importance may consist of workers from one or more centers, selected at a general assembly.

The workers who join the minibrigades will maintain the work connection with their center. Those remaining in the centers must make up for the work assigned to those who join the minibrigades.

Similarly, minibrigades may be set up for the construction and conservation of housing and social projects in the agricultural-livestock production cooperatives, in the manner and based on the requirements stipulated for this purpose by the National Housing Institute, in cooperation with the pertinent agencies and organizations.

Article 10. The social minibrigades may be comprised of workers on active duty, retirees, or persons without a work connection who are willing to join in the effort for construction, conservation, reconstruction, and remodeling of buildings for housing and social projects.

Article 11. The dwellings constructed by workers minibrigades will be distributed based on the following rules:

a) One percent of the dwellings will be distributed at a general assembly of workers by the work centers forming the minibrigade, based on the rules that are specified;

b) The remaining percent will be contributed by the minibrigade to the state housing supply and distributed according to the policy and order of priorities stipulated.

The social minibrigades will also contribute 1 percent of the dwellings that they construct to the state housing supply.

Article 12. A reduction in the legal price and monthly installments to be paid for the transfer of ownership of the dwellings built by the minibrigades and allocated to minibrigade members is established, in the amount set by the State Price Committee, at the proposal of the National Housing Institute.

Third Section

Rights and Obligations in the Construction and Conservation of Housing Through the Population's Own Effort

Article 13. Persons who are granted authorization to conserve, expand, remodel, reconstruct, or construct dwellings through their own effort, based on the rules and procedures issued for that purpose by the National Housing Institute, will have the following principal rights in the exercise of those activities:

a) Following the fulfillment of priorities and other established rules, to request a grant of state land;

b) To acquire a vacant lot directly from its owner, or a grant for use of a terrace, provided there are neither technical nor urban development restrictions to preclude it;

c) To purchase a plan for the construction, reconstruction, expansion, or remodeling of the dwelling from the entity that prepared it, or to procure it free of charge from a relative;

ch) To contract for technical assistance from authorized entities, or to procure it free of charge from a relative;

d) To request or procure, based upon the established rules, a permit for the use of land and the corresponding construction license;

e) To request and procure from the People's Savings Bank, according to the established rules, bank credit to pay the authorized state entities for the allocation of land, purchase of material and products, leasing of

equipment and other resources, plans, technical assistance, and other services offered for the repair, expansion, remodeling, reconstruction, and construction of dwellings through their own effort;

f) To purchase the materials and products from the authorized state entities, and also to contract for the leasing of equipment, tools, and other technical construction services required.

Article 14. If the persons cited in the preceding article are owners of another dwelling for permanent occupation, upon completion of the new construction they will be required to sell the dwelling that they were occupying to the state, or to transfer it to another person, in the latter instance subject to the terms of Article 70.

Article 15. The remodeling, expansion, and construction of individual dwellings or multifamily buildings with the personal effort of their present or future owners must be authorized through a construction license and, in the pertinent instances, through a land use permit, both issued by the Municipal Directorate of Architecture and Urban Development.

The rules jointly stipulated by the National Housing Institute and the Physical Planning Institute with a view toward granting a license for housing construction and expansion must provide for maximum utilization of the available land and, in each instance, for the dimensions of the property to be justified by the requirements of the family that will occupy it, including a reasonable provision for growth in the family nucleus.

Conservation projects will not require any license or permit, unless they entail a structural rebuilding.

Article 16. The activities involving external remodeling, expansion, or construction of housing in urban areas, or isolated buildings that have been declared national or local monuments, will be jointly regulated by the National Monuments Commission and the National Housing Institute.

Fourth Section

On Vacant Lots for Housing Construction

Article 17. The Municipal Housing Directorate, representing the state, and based on the regulations issued by the National Housing Institute and the Physical Planning Institute, may turn over state-owned vacant lots to private individuals for the construction of housing in its territory, with a perpetual superficiary right, through the payment of a larger sum for the price.

Article 18. The one receiving the vacant lot will be obliged to begin construction within a period of 1 year after its purchase. If the construction does not begin within that period, the pertinent Municipal Housing Directorate may order the cancellation of the superficiary right granted, with the return of the price paid by the purchaser, minus a deduction for operating expenses.

Subsequent transfer of a vacant lot purchased from the state for construction is prohibited, except to the state. Cases involving death of the purchaser, in which his heirs will replace him in his rights and obligations, are excepted.

Article 19. The bases for setting the price pertaining to the perpetual superficiary right cited in Article 17 will be those determined by the Council of Ministers, at the proposal of the State Price Committee and the Physical Planning Institute; in them, account will be taken of the location and urban development facilities existing on each site.

The price of the perpetual superficiary right to the vacant lot in question will be set by the Municipal Housing Directorate.

Article 20. The turnover of state-owned vacant lots to the population may be made to a person to build an individual dwelling, or to several persons organized to construct two or more dwellings grouped in a single building, depending on the urban development regulations for the site.

Article 21. The owners of vacant lots may transfer, with or without a price, the ownership of those lots to persons who need them to build their dwellings, on the assumption that there are no urban development restrictions to preclude it, and with prior approval from the Provincial Housing Directorate which, in any case, may exercise the preferential right to purchase and acquire ownership of the lot for the state through payment of its legal price.

The transfer of ownership of vacant lots between private individuals will be formalized before a notary, and will be subject to the tax on real estate transfers.

Article 22. When, because there are urban development restrictions precluding it, owners of vacant lots have been unable to procure authorization to use them for the construction of their own dwellings, they may apply to the Provincial Housing Directorate for an exchange of the lot for another equivalent state property, if there be one, or the state's purchase of the lot, through payment of its legal price.

Article 23. The provisions contained in this section will not apply to rural properties which, for these purposes, will be:

Those recorded declared as such on 17 May 1959;

Those of all beneficiaries of the Agrarian Reform Law;

Those allocated for agricultural-livestock and forest exploitation, and situated inside or outside the urban perimeter;

Farms of rural origin currently located within a population settlement, if their area exceeds 800 square meters.

Fifth Section

Housing Construction on Terraces

Article 24. Owners of individual dwellings or dwellings located in buildings with several floors, in which each floor constitutes a dwelling, and owners of dwellings comprising an apartment building, may by mutual agreement grant to the owners of the dwellings on the higher level the right to expand their dwellings, or to a third party the right to build a new one on the building's terrace, based on the assumption that such construction can, technically, be executed, and that there are no urban development restrictions precluding it, pursuant to a decision from the Municipal Directorate of Architecture and Urban Development, and provided authorization has been procured from the pertinent Provincial Housing Directorate, which in any case may exercise the preferential right to purchase on behalf of the state.

In the case of dwellings or areas declared local or national monuments, they will be governed by the provisions contained in the special legislation.

Article 25. A dwelling built on a terrace will be interpreted as that constructed on the roof of a building intended for permanent residential housing, including multifamily buildings.

Article 26. The granting of the terrace for purposes of constructing a dwelling may be made of its total area or only part of it. In the latter instance, the part of the terrace not granted will be considered a common, condominium area for the owners of the building's dwellings, including that of new construction if a multifamily building is involved. If it is a single-family dwelling, the part of the terrace not granted will continue to belong to the one or more grantors.

Article 27. The granting of use of a terrace for building a dwelling will also include the following rights:

a) To build a stairway to the terrace, occupying part of the land of the building on the lower level, or part of said building, as agreed upon in the public document granting that right;

b) To passage toward the stairway through gardens or gates;

c) To connect the new dwelling's water system and sewerage services to those on the lower level, ensuring the possibility of independent meter reading of consumption when fitting.

Article 28. If the stairway to be constructed is only a continuation of a previous stairway, the lower sections of the stairway will be considered common condominium areas for the owners of the dwellings on the lower level, and for the owner of the new dwelling.

If a stairway to the terrace already exists, upon the transfer of the right to build on the latter the builder will be obliged, unless there is an agreement to the contrary, to construct a stairway to the new terrace or flat roof of the dwelling that he is building. In this case, that terrace will be considered a common, condominium area for the owners of all the dwellings in the building.

Article 29. The price at which the use of the terrace will be granted for the construction of a dwelling will be agreed upon freely by the parties.

Article 30. When the use of a terrace, or of parts thereof, in a multifamily building is granted, the owners of all the dwellings in the building will be considered grantors of that right, and hence will be entitled to receive part of the price agreed upon, in equal amounts.

Excepted from this right is the occupant with a title acquired gratuitously.

Article 31. The granting of use of a terrace for building a dwelling will be executed through a public document that will state the following particulars:

a) Description of land and building, giving their respective areas and technical construction features;

b) Description of the terrace and area to be granted, whether it be total or partial;

c) Description of what will be common areas, such as the section of stairway and the right to passage through gardens and gates;

ch) Right of the grantee who is going to build to connect the water system and sewerage services;

d) A descriptive account of the dwelling planned to be build on the terrace, or of the expansion projects;

e) Price of the grant, or record attesting to the fact that it is gratuitous;

f) Any other particular or agreement that would help to facilitate relations among the owners of the dwellings on the various levels.

Article 32. The dwelling built on the terrace will be the personal property of the one who has constructed it, and may be transferred in the manner prescribed by this law.

Sixth Section

Financing for Housing Construction and Repair

Article 33. The People's Savings Bank will promote and grant financing, according to the established credit regulations, for the conservation, remodeling, and expansion of individual dwellings and multifamily buildings, as well as for the construction of new dwellings or buildings, including the purchase of vacant lots or terraces.

Article 34. The financing cited in the preceding article will be granted to those persons who have the pertinent authorization from the Municipal Housing Directorate.

Article 35. To guarantee payment for the financing, any income of the owners of the dwellings or of any of the occupants over age 18, with real or presumable income, who will be joint debtors solidarily liable for the debt, may be encumbered.

The People's Savings Bank may also accept as joint debtors solidarily liable for the debt persons not living with the beneficiary of the loan who, in the bank's opinion, have the capacity for payment to guarantee it.

The repayment of the financing and payment of the interest on the unpaid balances will be made, at the demand of the People's Savings Bank, through withholdings from salaries, wages, assets, any other periodic compensation, pensions, and other income received by the beneficiary of the loan, and, if at any time it proves impossible to make said deductions, through withholdings from any income of the joint debtors solidarily liable for the debt.

Article 36. The Council of Ministers, at the proposal of the National Bank of Cuba, will set the interest rates and commissions for banking services to be charged by the People's Savings Bank for the loans that it grants to the population in connection with housing.

Chapter III

Transfer of Ownership of Housing Built by the State or Disposable

First Section

On Allocation

Article 37. Housing built by the state may be transferred for ownership to persons selected to occupy it as a permanent residence.

The same treatment will be applied, generally, to the housing left at the state's disposal because it is unoccupied, with no one entitled to occupy it, and that which the state has acquired from its owners.

The housing to be allocated as basic or linked resources, comprising the patrimony of a particular entity, as well as that which the state decides to make available for rental, will not be subject to the rules on transfer of ownership cited in the Second Section, and will be governed by the provisions of Chapter IV of this law.

Article 38. The housing built by the state or left at its disposal will be allocated by the pertinent local organ of the people's government, observing the policy and order of priorities established by the Council of Ministers at the proposal of the National Housing Institute.

Article 39. Excepted from the provisions of the preceding article are:

a) Dwellings which, based on the regulations issued by the National Housing Institute, are defined as linked to a particular state entity or to political, social, and mass organizations;

b) Dwellings constructed by state entities to ensure their own activities, which will be declared a basic resource according to the regulations issued by the National Housing Institute.

Article 40. The National Housing Institute will oversee the execution of the housing distribution policy, and the fulfillment of the order of priorities that has been approved. For those purposes, it will be authorized to supervise the allocations made by the local organs of the people's government, and to recommend to those organs the pertinent measures for cancelling and annulling any allocation made in violation of the specifications.

Second Section

On the Transfer of Ownership

Article 41. The People's Savings Bank, representing the state, will transfer the ownership of state housing, in the fitting instances, through a purchase and sale contract on credit terms, in which the purchaser will become a debtor of the state for the amount of the legal price of the dwelling, payable in equal monthly installments.

The contract will be executed in favor of the person to whom the dwelling is allocated and, if that person is married, in favor of both spouses.

The purchase and sale contract will contain all the necessary elements to be considered an ownership title, including a suitable description of the dwelling.

In the same contract, all other persons over age 18 who reside with the purchaser in the property on the date of the purchase and sale, and have income of their own, will become joint debtors solidarily liable for the payment of the deferred price in favor of the state. Any other person may voluntarily become a joint debtor solidarily liable for the debt.

Article 42. The legal price will be that set by the Municipal Housing Directorate, based upon the terms established by the Council of Ministers, at the proposal of the State Price Committee, in accordance with the following:

a) If a new dwelling is involved:

A basic price will be set per square meter of useful area, depending on the technical construction features of the dwelling;

A surcharge will be applied for location based upon the site's urban development facilities, according to the zones defined by the Physical Planning Institute, at the proposal of the Provincial Physical Planning Directorates;

If the dwelling is individual and has gardens or yards on land with an area exceeding the standard determined, that excess area will raise the price of the property in accordance with the bases established for this purpose.

The Municipal Housing Directorate will also determine the amount of the monthly installments to be paid, based on amortization of the price of the transfer of ownership, in 20 years, if tall buildings are involved, or in 15 years in other instances.

Every 5 years, the Council of Ministers will review the bases for the prices to be set for new dwellings.

b) If a dwelling from the current supply is involved, besides the factors listed in the three paragraphs of section a, the discount relating to depreciation will be applied, and the monthly installments to be paid will be calculated based on amortization of the resulting transfer price in 15 years.

Article 43. The collection of the monthly installments due on the purchase and sale price will be made at the demand of the People's Savings Bank, through withholdings from salaries, wages, assets, pensions, any other periodic compensation, and other income earned by the purchaser and, in cases wherein it becomes impossible at any time to make such deductions, through withholdings from any income of the joint debtors solidarily liable for the debt.

But if at any time the collection proves impossible through the withholdings cited in the preceding paragraph, the People's Housing Bank may agree with the purchaser on another method for guaranteeing payment; and if the impossibility results from a reduction in the latter's income, the amount of the monthly sum to be paid may be reduced, extending the term of payment of the total price for whatever length of time is necessary.

Article 44. If the purchaser does not earn income from which the withholdings can be made, nor have a joint debtor solidarily liable for the debt, he will be obliged to make the payments of the monthly installments at the town agency of the People's Savings Bank associated with his residence, and the ownership of the dwelling will not be transferred to him until he completes the payment of its legal price, for which purpose, based on this hypothesis, the purchaser will be considered a tenant purchasing the property.

If the payments for over 3 months are not made for a reason that can be ascribed to him, the occupant will lose the right to acquire ownership of the dwelling, and will become a tenant thereof, based on the procedures specified in the Sixth Special Provision of this law. He may also be declared an illegal occupant in the opinion of the competent authority.

If the reason cannot be ascribed to him, the stipulations contained in the final paragraph of the preceding article will be applicable.

Article 45. The purchaser may opt at any time to make advance payment of all or part of the monthly installments remaining to be paid by him to the People's Savings Bank.

Article 46. As of the signing of the contract, the owner will be obliged to conserve the dwelling at his own expense, whether it be an individual house or part of a multifamily building. The same obligation will bind the one maintained as a purchasing tenant, cited in Article 44 of this law.

In the case of multifamily buildings requiring costly repairs because of their degree of deterioration, the state will contribute to the repairs on the common areas, based on the regulations issued for this purpose by the National Housing Institute.

Article 47. On a monthly basis, the People's Savings Bank will deposit in the state budget the collections that it has made on the legal price of dwellings the ownership of which is transferred through the mandate of this law, collecting from the debtor the pertinent amount of interest.

Article 48. The transfer of ownership of the dwellings cited in this section will be exempted from payment of the tax on real estate transfers.

Chapter IV

Legal System for State-Owned Housing

First Section

Rental of State Housing

Article 49. The state, through the Municipal Housing Directorates, may grant for rental the dwellings and premises owned by it, based on the terms and stipulations established herein in the following instances:

a) Dwellings intended for the practice of a professional activity, or assigned to organizations, associations, or entities for the execution of their activity;

b) Dwellings built by the state or made disposable in its favor, when it is considered feasible or necessary not to allocate them for ownership;

c) State-owned premises.

Also left for rental purposes are dwellings occupied by onerous usufructuaries or legitimate occupants who had not acquired ownership thereof at the time that this law was promulgated.

Article 50. The rental price will be the same as the monthly installment set for those who are paying. For those not paying for occupation, the rental price will be set according to the number of square meters of useful area, minus depreciation, if there be any, based on the rules of the price system stipulated by law.

In cases of low income nucleuses, wherein the monthy installment considerably exceeds 10 percent of the family nucleus' income, the Provincial Housing Directorate may adjust it to that limit.

Article 51. Payment of rent will be made monthly, at the demand of the Municipal Housing Directorate, through withholdings from salaries, wages, or assets, pensions, or any other periodic compensation, or other income earned by the tenant; and if at any time it proves impossible to make said deductions, through withholdings from the income of any of the dwelling's occupants.

If there are no occupants with fixed income from which withholdings are being made, payment of the monthly installments must be made at the town agency of the People's Savings Bank associated with the tenant's residence. The tenants cited in sections a and c of Article 49 will pay in the same manner.

The Municipal Housing Directorates will exercise control over those payments, based on the regulations issued for this purpose by the National Housing Institute.

Article 52. The tenant of state-owned housing will have the following rights:

a) To determine the cohabitants who will occupy the dwelling jointly with him, and to declare the cohabitation terminated in the manner and with the limitations specified for the owner in Articles 64 and 65, and in the Third Temporary Provision of this law;

b) To occupy the dwelling during the entire rental period;

c) To request a transfer of the ownership of the dwelling when he is entitled to it;

ch) To exchange the dwelling or grant the rights to its rental, with prior approval from the Municipal Housing Directorate.

Article 53. The occupant renting state-owned housing will have the following obligations, in addition to those stipulated by the law for this type of contract:

a) To maintain occupation of the dwelling;

b) To execute, at his own expense, the maintenance and minor repairs required by the dwelling. In multifamily buildings, he must also contribute the share that is specified;

c) To leave the dwelling immediately when his right to occupy it ceases;

ch) To maintain the care, conservation, and use of the dwelling without making any changes unless he has prior approval from the Municipal Housing Directorate.

Article 54. State housing made available for rental may be exchanged by its tenants, without opposition from the occupants who do not have the same legal status as the owner.

The exchange must be approved previously through a resolution of the Municipal Housing Directorate associated with the domicile of any of the housing subject to the operation.

The National Housing Institute will draw up the procedures and rules for the exchange.

Article 55. The rights to state housing made available for rental may be recognized in favor of persons who have permanently cohabited with the owner in the following instances:

a) Because of the owner's death, to the ex-spouse or relatives up to the fourth degree of kindred who have permanently cohabited with his consent for at least 2 years before the date of death, and for 5 years in the other instances;

b) Because of definitive absence from the national territory, to the spouse in the marriage (whether formalized or not), the ex-spouse, or relative of the owner, up to the fourth degree of kindred, provided that they have resided in the dwelling permanently for no fewer than 5 years prior to the departure from the country, and provided that the person is not owner of another dwelling;

c) In the case of a move from the domicile, to the spouse, ex-spouse, ascendant, or descendant who has resided jointly and permanently with the owner of the dwelling for a year before the moving date.

Those acting in bad faith and with obvious selfishness who have taken advantage of the special circumstances of persons needing assistance, to take possession of the dwelling upon the death of these persons, incurring indecent antisocial and inhumane conduct, may be deprived by the competent authorities of the benefits specified in section a of this article.

Article 56. Recognition of the right will be made by the Municipal Housing Directorate through a resolution, at the request of the persons concerned. In the cases cited in section c of the preceding article the action to request recognition may not be taken until 6 months have elapsed since the owner's move from the domicile, and will be carried out through the litigation procedure established by law.

If more than one person claims the status of tenant, under the aegis of the terms of the preceding article, equal rights will be recognized for claimants who have proven that they are in any of the aforementioned categories.

Article 57. Despite the provisions of Article 55, the executive committee of the municipal organ of the people's government, if circumstances so warranting prevail in the case, may order, through a resolution based on grounds, recognition of the occupants' rights as tenants, even though they may not meet all the requirements of cohabitation time or kinship with the owner.

In such cases the monthly installment to be paid will be set based on the system of prices per square meter of useful area stipulated by law.

Article 58. The rental of state-owned housing concludes:

a) By agreement of both parties;

b) By unilateral declaration on the part of the tenant;

c) Upon death or definitive departure from the country of the owner, with no other occupants holding rights;

ch) For unjustified nonoccupation of the dwelling for over 6 months, or nonfulfillment of other obligations pertaining to the tenant.

Article 59. The declaration of rental termination will be made by the Municipal Housing Directorate and will contain, if pertinent, a declaration of the persons whose right to the dwelling has ceased or who lacked it as illegal occupants, using procedures prescribed in Article 115 of this law.

Article 60. The president of the National Housing Institute is authorized to issue whatever regulations are necessary to resolve any matter relating to state-owned housing made available for rental not provided for in this chapter.

Similarly, the president of the National Housing Institute will regulate the legal system to which state-owned premises made available for rental will be subjected.

Second Section

Linked Housing and Basic Resources

Article 61. Housing occupied or decided as properly to be occupied by personnel of state entities (civilian or military), agricultural-livestock production cooperatives, or political, social, or mass organizations, for the purpose of fostering assurance of the work force for the activity in question, and especially its management team, or in the interests of the country's defense or security, may be declared linked to the enterprise, budgeted unit, military unit, agricultural-livestock production cooperative, or organization concerned, or as its basic resource, according to the regulations issued by the National Housing Institute.

Article 62. The declaration of linked housing or basic resources, relating both to that currently assigned for the purposes cited in the preceding article and that to be constructed or assigned for such purposes in the future, will be made by the National Housing Institute.

Article 63. The National Housing Institute is authorized to establish the requirements for a dwelling to be declared linked or a basic resource; to determine the title whereby it will be occupied, as well as the pertinent legal system (if it were that of ownership, in the case of the linked type, it would not be incompatible with that of another dwelling for permanent occupation in a different city); and to regulate its price, occupation, use, disposal, and conservation, as well as any other aspect related to said dwellings, for the purpose of helping to assure the work force for the activity involved.

Chapter V

Legal System for Personally Owned Housing

First Section

Rights and Obligations of Housing Owners

Article 64. The owners of housing will freely determine which persons will cohabit with them, and will be authorized to declare the cohabitation of any person terminated, for which no administrative or judicial declaration will be required.

Cohabitants are considered to be those who, not associated with any of the instances of illegal occupation cited in this law, reside with the owner and are part of the family group occupying the dwelling, even though they have no kinship relations with the owner.

If the cohabitant should attempt to remain in the dwelling against its owner's will, the Municipal Housing Directorate, at the latter's demand, will issue a resolution, if fitting, warning the cohabitant to vacate the dwelling within a period of 30 calendar days following the date of notification of said resolution; and, if that period elapses without the cohabitant having vacated the dwelling, it will notify the entities from which all members of the nucleus of the cohabitant concerned receive their income of their obligation to make a monthly deduction for unauthorized use of the property, amounting to 30 percent of each member's income. If this situation continues for 3 months, the withholdings will be raised to 50 percent, so long as the occupation of the dwelling lasts. The amounts resulting from these withholdings will be deposited in the state budget.

In instances of persons with obvious antisocial conduct not linked to work centers who refuse to obey the orders of the competent authorities, they may be obliged by the public forces to obey said orders.

Article 65. The authority granted to the owner in the preceding article may not be exercised against:

Ascendants and descendants of the owner;

A mother with one or more children born of the marriage (whether formalized or not) with the owner, provided she has the guardianship and custody of the children and has no other place of residence;

A mother with one or more minor children aged 3 years or older, occupying the dwelling, with no other place of residence;

Aged persons who have occupied the dwelling for 3 years or more, and who have no other place of residence;

Any other case which, in the opinion of the competent authority, constitutes a manifest injustice or inhumane act.

Article 66. When the dwelling occupied by the spouses belongs to both, and divorce is sought, the court will decide to whom its definitive ownership will be awarded, based on the following rules:

a) It will be awarded to one of the spouses or to the children, as agreed by the parties in the documents or during the appearance at the divorce proceedings;

b) In the absence of an agreement, the dwelling will continue to be owned by both spouses.

These rules will also be applied by the courts in the case of liquidation of matrimonial community property.

In such instances, if there are debts, the People's Savings Bank will be obliged to adjust them in accordance with the liquidation of matrimonial community property, provided that this operation is guaranteed with the capacity of both ex-spouses to pay.

Article 67. If the dwelling has been purchased during the marriage, consent from both joint owners will be required to exchange, sell, or transfer it. Except in this case, the consent of either occupant will not be required.

The Municipal Housing Directorate is authorized to hear and decide on the request for compulsory exchange that may be submitted by the owners for the purpose of liquidating coownership of the dwelling, or to remove one or more cohabitants from the family nucleus.

The National Housing Institute will regulate the procedures for compulsory exchange.

Article 68. Dwellings may be exchanged by their owners both bilaterally and multilaterally, without precluding the continued payment by said owners of the outstanding price of the dwelling that they were occupying, through the deductions cited in Article 43 and its respective cases.

Despite the provisions in the preceding paragraph, the People's Savings Bank may authorize the total or partial transfer of debts between the exchangers, provided that their payment capacity and that of their joint debtors solidarily liable for the debt offer sufficient guarantees of total collection on the debts.

When multilateral exchanges of dwellings are involved, made for the purpose of liquidating matrimonial community property, the People's Savings Bank will be obliged to divide the outstanding debt between the two ex-spouses, provided that this operation will be guaranteed by the payment capacity of both owners.

Article 69. The exchange cited in the preceding article will be formalized through a public document before a notary, and will not be subject to any tax, levy, or contribution, except the tax on the document.

Cases of disproportionate exchanges which originate in lucrative operations, or which could cause damage to the cohabitants cited in Article 65 of the law, may be impugned in the courts at the appeal of those concerned, or in the Municipal Housing Directorate.

Notaries who, upon formalizing an exchange contract, observe that it might involve one of the cases cited in the preceding paragraph, will refrain from acting and send the parties to the Municipal Housing Directorate for its prior information and approval, if fitting.

Article 70. When the transfer of ownership of a dwelling through purchase and sale or donation is involved, it must be executed before a notary based on the price

agreed upon by the parties, or without any price, with prior authorization from the pertinent Provincial Housing Directorate, which will have a preferential right to purchase it as state property, with the owner paying the legal price stipulated in this law minus the amount of the price yet to be paid, as the case may be.

The transfer of ownership of a dwelling based on the stipulations in this article will be subject to the tax on real estate transfers.

The National Housing Institute is authorized to regulate the procedure for the transfer of ownership of a dwelling and to specify the instances wherein the state will grant approval of the transfer or exercise the preferential right to purchase in its favor.

Article 71. The fact of having or receiving a dwelling as owner based on the prescriptions of Chapter III of this law will not limit the right to receive as owner another dwelling to replace the one occupied, in accordance with the state housing distribution system.

Anyone receiving a dwelling as owner through a state allocation will transfer to the state the ownership of the one that he has been occupying up until that time, and he will be credited with the share paid of the latter's legal price, minus the pertinent depreciation, being credited with the net balance of the portion paid up to the limit of the value of the new dwelling that he is purchasing, with the purchaser assuming the balance of the price, as the case may be.

Article 72. The owners of two dwellings that are adjacent, or with one located on top of the other, inhabited by persons wishing to live together, may connect the two dwellings upon the granting of the pertinent project license, so that they may be used as a single dwelling legally considered to be jointly owned by both. The connection of the dwellings will be recorded in a declaration made before a notary public, to be entered in the Registry of Housing Ownership.

If the price of both dwellings or one of them is yet to be paid, the same obligations will be maintained with the People's Savings Bank as had been maintained by their owners.

Article 73. The owners of a dwelling, in the exceptional instances wherein the building's dimensions and form so permit, will be entitled to divide it, upon the granting of the pertinent project license, for the purpose of liquidating the joint ownership or separating one or more cohabitants of the family nucleus.

If there is agreement between the owners, the division will be formalized before a notary. If there is no agreement, the owners may propose compulsory division to the Municipal Housing Directorate, which will be authorized for this purpose.

The National Housing Institute will regulate the procedure for compulsory division of the dwelling.

Article 74. Owners of dwellings are authorized, under the aegis of the stipulations contained in the common civil legislation, to conclude rental contracts for up to two rooms, with or without their own sanitary service, for a price freely agreed upon, without being subjected to any prior approval. Lawsuits that may arise because of the rental of rooms will be subject to the courts of civil proceedings. The state will not assume any responsibility in connection with the eviction or relocation of tenants.

Cases of disobedience to the orders of the courts of civil proceedings must be turned over to the penal jurisdiction, which may impose consecutive penalties equivalent to as much as 100 percent of the amount paid for the rental. When there is nonpayment, the attachment procedure stipulated in the common legislation may be applied for collection.

The report of the nonfulfillment cited in this article may be made to the court that heard the lawsuit, which will immediately notify the penal jurisdiction. The consecutive penalties will be monthly, and will be applied until the offender proves that he has complied with the decision of the courts.

The imposition of the penalty will not exempt the ex-tenant from the obligation to pay the owner of the dwelling an amount equal to that being paid for rental, by way of compensation, so long as the unauthorized occupation lasts.

Second Section

Transfer of Rights to Housing in Cases of Death or Definitive Absence of Its Owner

Article 75. As of the effective date of this law, personal ownership of the dwelling occupied permanently by its owner will be transferred, depending on the situation at the time of the latter's death or his definitive absence, based on the regulations specified in the following articles.

Article 76. The owner of a permanent residential dwelling may will it, but the heir or established beneficiary may be awarded the dwelling only in the following instances:

a) If he was occupying the dwelling upon the death of the predecessor in title;

b) If the dwelling is left vacant upon the death of the testator because the owner was its only occupant.

When large properties that could be used for public utility or social interest, or be put to another more just and reasonable use for the benefit of the community, are involved, and the heir or beneficiary is not, at the same

time, among those called by the law for the intestate inheritance, the state may allocate another dwelling for the beneficiary and acquire the property for itself.

Article 77. If, when its owner dies without executing a will, the dwelling is occupied by his heirs, the ownership thereof will be transferred to them, based on the common successoral legislation.

In such cases, if there is agreement among all the heirs, the award of the dwelling will be made before a notary. When there is no agreement among the heirs, the court will be authorized to hear the case and transfer the dwelling.

The one receiving the dwelling will be obliged to pay compensation to the heirs not receiving it, as provided by the common successoral legislation, through payment of the fitting amount; and will also be obliged to liquidate the debts that the deceased owner owed to the People's Savings Bank in connection with the purchase of the dwelling, on the same terms on which the deceased was making the payments, without precluding the possibility, in the pertinent cases, of application of the provisions contained in the second paragraph of Article 43.

Article 78. If, upon the death of its owner, the dwelling has been permanently occupied only by persons who are not his heirs, the ownership will be transferred to the state, without precluding the right of the heirs to receive the amount of the legal price.

In this case, the Municipal Housing Directorate will, through a resolution, recognize the right to transfer ownership of the dwelling to the cohabitants of the deceased who, with his consent, had been such for at least 2 years before his death, in the case of ex-spouses and relatives up to the fourth degree of kindred, and for 5 years in other cases.

In any event, it will be required that the beneficiary of this right not be the owner of another dwelling. The transfer of ownership will be made by the People's Savings Bank, representing the state, in accordance with the provisions of Section II, Chapter III, of this law.

Those acting in bad faith and with obvious selfishness, who have taken advantage of the special circumstances of persons needing assistance, to take possession of the dwelling upon the death of the latter, incurring indecent, antisocial, inhumane conduct, may be deprived by the competent authorities of the benefits cited in this article.

Article 79. If, upon the death of its owner without executing a will, the dwelling is free of occupants, the following rules will be applied:

a) If there are heirs, the ownership will be transferred to those who agree to cohabit the dwelling in question, which will be done before a notary, with those receiving the award assuming the payment pertaining to the other heirs, and with prior transfer to the state of the ownership of the dwelling that they occupy as owners, if fitting, for the pertinent price, based on the stipulations of Article 42, section b;

b) If there are heirs, and they fail to reach agreement on which of them will occupy the dwelling, the issue will be decided by the pertinent Municipal Housing Directorate, which will give preference to those with greater housing needs;

c) If no heir agrees to acquire ownership of the dwelling, the latter will be transferred to the state, with steps taken to pay its price to the heirs in the manner specified in Article 42, section b;

ch) If there are no heirs, the dwelling is transferred in favor of the state, as provided in the civil legislation.

In any event, the heirs must prove that status to the Municipal Housing Directorate before the lapse of a year calculated from the date of the owner's death, after which the dwelling will be turned over to the state without precluding the heirs' right to receive the amount of its legal price.

Article 80. Persons who are definitively absent from the country are incapable of inheriting the dwelling occupied permanently by the predecessor in title, and if they have children or descendants in the national territory, their share goes to the latter through representation; if the latter are lacking, it is transferred to the other heirs.

Article 81. Those who have cohabited permanently for 5 years with the owner of a dwelling whose assets and rights are confiscated because of definitive absence from the country will be entitled to acquire ownership of the dwelling through the payment of the price specified in Article 42, section b, provided that they are a spouse (of a marriage, whether formalized or not), ex-spouse, or relative of the person definitively absent, up to the fourth degree of kindred, and are not owners of another dwelling.

If the person definitively absent has been co-owner of the dwelling, the co-owner who has remained in it will be entitled to acquire the former's share through payment to the state of the pertinent portion of the dwelling's legal price.

In the instances cited in the preceding paragraphs, the Municipal Housing Directorate will determine the right and will set the price through a resolution, and the ownership will be transferred by the People's Savings Bank, representing the state.

Article 82. Despite the provisions of Articles 78 (second paragraph) and 81 (first paragraph), the executive committee of the pertinent municipal organ of the People's Government, if circumstances so warranting exist in the case, may order the transfer of ownership of the dwelling,

through a resolution with grounds, with the payment of the corresponding price, based on the stipulations in Article 42, section b, even though the co-occupant may not meet all the requirements of prior cohabitation time or kinship with the deceased or definitively absent owner.

Article 83. Ownership of dwellings used for the recreation by their owners located at beaches or other recreational areas will be transferred, in the event of their owner's death, based on the regulations in the common successoral legislation.

In the event of definitive absence of the owner as a result of leaving the country, the ownership will be turned over to the state; but if a joint ownership is involved, and one of the joint owners is still in the country, he may acquire from the state the share belonging to the definitively absent joint owner.

Article 84. Those who, by virtue of the provisions of this law, are obliged to make effective indemnification for alien rights to the housing that they purchase, may do so through monthly payments; but the maximum term for fulfilling the obligation may not exceed 10 years.

Article 85. The transfer of rights to a dwelling in instances of divorce or hereditary succession cited in this law will be exempt from payment of the tax on real estate transfers.

Chapter VI

Regulations on MultiFamily Buildings

First Section

Generalities

Article 86. The provisions in this chapter will be applied to multifamily buildings, which are those defined in section e of Article 6.

Article 87. The owner of a dwelling located in a multifamily building will have an exclusive right to his dwelling and to a participation equal to that of the other owners in the common elements of the property.

Article 88. To be considered as general common elements of the property are:

a) The land on which the building is situated;

b) The foundations, bearing walls, roofs, balconies, vestibules, stairways, and entry and exit or connecting facilities;

c) The basements, terraces, yards, gardens, and garages, except those which are part of the property of one of the dwellings comprising the building;

ch) The premises used for the superintendent's lodging;

d) The premises of facilities for central services, such as electricity, light, gas, cisterns, tanks, water pumps, and other similar items;

e) The elevators, trash incinerators and, generally, all the fixtures and installations existing for the common benefit;

f) Anything else rationally intended for common use in the building or necessary for its existence, conservation, and security.

Article 89. Also to be considered as common elements, but of a limited nature, and provided that this is expressly agreed upon by all the owners of the dwellings in the building, are those intended to serve a certain number of dwellings, excluding the others, such as special stairways and elevators.

Article 90. Not to be considered as general common elements of the multifamily building are those comprising the apartment houses built on the top floor of the building, according to its original plan, which, as individual dwellings, differ substantially from the other apartments from an architectural and functional standpoint.

The owners of said apartment houses, known as penthouses, will be obliged to give access to that level of the building to the persons providing for the installation, maintenance, and repair of elevators, water tanks, television antennas, or other facilities usually installed on that level or over it, rendering services to the apartments in the building.

The owners are also obliged to maintain and repair the penthouse terrace so that no leaks will occur to the apartments on the lower level.

Apartment houses or penthouses are excepted from the provisions of the Fifth Section of Chapter II of this law.

Article 91. The general or limited common elements will be maintained in condominium, and may not be the object of any action to divide the common ownership.

Each owner may use the common elements as they are intended, without precluding or interfering with the legitimate right of the others.

Article 92. The use and benefit of each dwelling will be subject to the following rules:

a) Not to cause noise, disturbance, or damage, nor to perform acts that would upset the peace of mind of the other residents;

b) To execute at one's own expense the work for modification, repair, cleaning, security, and improvements for his dwelling, without interfering with the legitimate use and benefit of the other residents, and not to change

the exterior form of the facades or to decorate exterior walls, doors, or windows in colors or shades different from those of the building as a whole;

c) To comply with the provisions of the building's regulation, which will be prepared in accordance with the general regulations issued by the National Housing Institute.

Article 93. Multifamily buildings are classified in two categories:

a) Self-administered buildings, which will be those with a small number of dwellings, generally with but few floors or grouped in one passageway, their main common areas being the access routes to the dwellings; which have no complex equipment, and in which conservation of the common elements under normal conditions is relatively inexpensive;

b) Municipally administered buildings, which will be those with a large number of dwellings, and generally with a large number of floors, having among the common areas, besides the access routes, others such as reception rooms, collective garages, and gardens, and rather complex equipment, such as elevators, trash collectors, and intercom systems; and in which, besides the dwellings, state offices, business establishments, and other entities may possibly be established. The conservation of their common areas is generally expensive, even under normal conditions.

Article 94. It will be incumbent on the Municipal Housing Directorates to identify the multifamily buildings within their territories, and to determine the categories in which they are to be classified.

Article 95. The owners of dwellings located in multifamily buildings will bear the expenses, in the shares pertaining to each, required for:

a) Cleaning, decoration, and maintenance of the building's common services;

b) Conservation of the property's common areas from a construction standpoint.

Article 96. In multifamily buildings the administration will be carried out by a board of administration comprised of all the owners, which will adopt resolutions for compulsory fulfillment, by a simple majority of votes.

Article 97. The board of administration will be authorized to:

a) Decide on the building's regulations;

b) Appoint an executive body which may consist of owners or cohabitants;

c) Contract or, if need be, propose the services of a superintendent and personnel for cleaning or other services, either full- or part-time, and rescind that contract when it is considered fitting;

ch) Set the monthly dues that the owners will have to contribute;

d) Decide on the execution of repairs the cost of which cannot be defrayed by the fund formed with the monthly dues; which, unless there is an agreement to the contrary, must be assumed by the owners in equal shares;

e) Insure the building against risks and cover the costs of conservation of its common areas from a construction standpoint;

f) Request of the Municipal Housing Directorate that it apply disciplinary measures to the superintendent, and cleaning and service personnel of the building, when they commit the violations cited in the labor legislation.

Despite the provisons of section d of this article, the Municipal Housing Directorate may order the execution of repairs to multifamily buildings when required because of the degree of deterioration or the technical construction status of the building, or to maintain suitable esthetics in the city's decoration. Also to be applied in such cases are the provisions contained in the final paragraph of Article 46 of this law.

Article 98. The executive body appointed by the board of administration will be authorized to:

a) Collect the monthly dues cited in section ch of the preceding article and, if need be, the contribution indicated in section d;

b) Administer the fund formed with the contributions from owners, with which it may purchase supplies and contract the necessary services for the building;

c) Supervise the work of the superintendent;

ch) Render an account of its management to the board of administration periodically;

d) Perform any other services assigned to it by the board of administration.

Article 99. If the owner of a dwelling in a multifamily building fails to contribute to the expenses cited in sections ch and d of Article 97, without any justified reasons, the executive body of the board of administration will attest to that nonfulfillment. The action for collection on the aforementioned debt will be executed and negotiated by the pertinent Municipal Housing Directorate, through the submission of said attestation,

attaching any income of the owner, which may be collected, all at one time, in the amount equivalent to 1 year's dues, without affecting more than 10 percent of each periodic income.

Article 100. If, in a multifamily building, one or more apartments are basic resources, the contributions cited in sections ch and d of Article 97 will be made or assumed by the entity to which they belong.

Similarly, when a social or economic unit or entity is established in a multifamily building, it will be obliged to pay said costs in the corresponding proportion.

Article 101. The facilities existing at the time of the promulgation of this law on the terraces of multifamily buildings used for breeding, development, and sports practice with carrier pigeons, authorized by the Pigeon-Breeders Federation of Cuba, must be preserved, and hence they will maintain the right to use the area of the terrace where they are installed, provided that they abide by the technical and health requirements required for this purpose.

Hereafter, the creation of facilities of this type will be subject to prior approval from the building's board of administration.

Second Section

On Municipal Administration Buildings

Article 102. In municipal administration buildings, the Municipal Housing Directorate will appoint an official to represent it before the board of administration.

In such buildings the regulations agreed upon by the board of administration must be approved by the Municipal Housing Directorate.

Article 103. In municipal administration buildings, the Municipal Housing Directorate will contribute to the costs of the building's administration and operation, assuming the portion pertaining to:

a) Salary of the building superintendent and the personnel for cleaning and operation of the common elements and services;

b) Maintenance and repair of elevators.

For the contracting of the personnel cited in section a the Municipal Housing Directorate will take into account, primarily, the proposals made by the board of administration.

Chapter VII

On Housing Subject to a Special System

First Section

On Housing in Rural Zones

Article 104. The occupants of dwellings located in peasant communities or in urban areas that have turned land owned by them over to the state, with or without compensation, will receive ownership of the dwellings that they occupy because of having been affected in the one from which they were benefiting, without having to pay any price for this. The same treatment will be accorded:

a) Occupants of dwellings located in sugar mill workers' housing compounds, who prove that they have resided in them since before the nationalization of the mill, or are heirs of those who occupied them before that date;

b) Occupants of peasant dwellings built by the state between 1959 and 1970, who prove that they have resided in them since that period, or are heirs of those who were occupying them at that time;

c) Occupants of peasant dwellings who have built them on land that was in their possession before 17 May 1959;

ch) Other similar cases decided by the president of the National Housing Institute, at the proposal of a state agency or organ, the party concerned, or an official.

In the cases of occupants of dwellings located in peasant communities who have not received the dwelling based on turning land over to the state, they will adquire ownership of the dwellings that they occupy based on the terms and conditions cited in the provisions of this law on transfer of ownership.

Article 105. Persons occupying rural dwellings of the type known as "economical," built by the state since 1980, will be considered to be included in the provisions authorizing the transfer of ownership, and will pay the price of the dwelling in accordance with the stipulations of Article 42, section b; but if the dwellings are declared linked, they will be subject to the regulations issued for this purpose by the National Housing Institute.

Dwellings built by the state entities for agricultural laborers and those built in mountain areas will generally be declared linked, and will be governed by the provisions stipulated for that category of housing.

Article 106. The ownership of a dwelling located within the perimeter of an agricultural-livestock production cooperative that is owned by a cooperative member and constitutes his legal domicile may be awarded, in the event of the owner's death, only to the spouse and heirs that are cooperative members and occupy the dwelling. If there are no heirs meeting these requirements, the

dwelling will be considered transferred to the cooperative at the time of the death of the predecessor in title, without precluding the heirs' right to receive its price. In the latter instance, the cooperative must guarantee a suitable dwelling for the cohabiting heirs forced to leave the dwelling because they are not cooperative members.

Despite the provisions in the preceding paragraph, the cooperative may decide that one or more of the heirs residing in the dwelling may receive its ownership; and, in this case, the latter must pay to the other heirs the proportional share of the remaining appraisal price in the deferred manner specified by the cooperative itself.

Article 107. In the case of small farmers or cooperative members who, as of 1 January 1985, had ownership, as a permanent residence, of a dwelling located on the rural property of which they are owners or in the cooperative to which they belong, and of another in an urban area, the latter will be considered their recreational dwelling for purposes of the provisions in the second paragraph of Article 2.

Article 108. Dwellings owned by a small farmer located within the area of the property owned by him, which he inhabits or other persons occupy with his consent, will be subject to the following regulations:

a) They will not be subject to transfer of ownership to their occupants. In regard to them, the owner will be entitled to what is stipulated in Article 64 of this law;

b) The exchange, donation, sale, or transfer of such dwellings may be made only after prior approval from the Ministry of Agriculture, which will hear the opinion of the National Association of Small Farmers and, in any event, may exercise the preferential right to purchase, acquiring ownership of the dwelling in favor of the state, and paying the owner its legal price;

c) In the event of the death of the property owner, the ownership of the dwelling will be transferred to the heirs entitled to inherit the land, as determined by the Ministry of Agriculture;

ch) If the dwelling is not occupied upon the death of the predecessor in title, the heirs entitled to inherit the land will, by mutual agreement, determine which one or more of them will occupy it;

d) The heir who receives ownership of the dwelling must pay it legal price, proportionally, to the other heirs entitled to inherit the land who have not received it.

Second Section

Other Housing Subject to a Special System

Article 109. Dwellings located in geographical areas declared by the Council of Ministers as highly significant for tourism will be subject to the following special system:

a) The legal occupants of dwellings who are not owners will remain in them based on rental, through the payment of the same monthly amount that they had been paying, or the one to be set in accordance with the system of prices per square meters, until the state decides to relocate them in another dwelling outside the tourist area;

b) The municipal executive committee of the people's government will not have the discretionary authority cited in Articles 57 and 82, and the Temporary Provisions of the Law; consequently, it may not authorize the legalization nor right to receive ownership of the occupant of any dwelling;

c) Illegal occupants who must be relocated in accordance with the law's provisions will be relocated in other areas determined for this purpose in the municipality itself, outside the toruist area, or in other nearby municipalities;

ch) The rental of dwellings or rooms will be controlled by the state, through a special permit for engaging in that activity, granted by the representative of the National Institute of Tourism or, in his absence, by the Municipal Housing Directorate;

d) Exchanges of dwellings may be made only with the state;

e) Dwellings left in favor of the state will be assigned to the National Institute of Tourism and, when they are not of interest to it, the latter will turn them over to the local organ of the people's government for transfer to other entities, to be used solely for social purposes;

f) Dwellings with linked status will not be made available; to declare dwellings as basic resources, there must be prior approval from the National Institute of Tourism, which is also required to change that status once it has been granted;

g) For any construction or remodeling of a building intended to be executed by a state agency or organization, prior approval will be required from the National Institute of Tourism, in addition to that provided for legally. Construction, remodeling, reconstruction, division, and expansion of dwellings by private individuals are prohibited;

h) When the state, in the nation's interest, requires areas for both international and national tourism development programs, necessitating construction of hotels and various facilities, or a different use of those areas, at the time that it needs them it may negotiate with the owners for the purchase or relocation of dwellings outside the area, or other types of compensation to those affected who are located therein, without precluding the expropriation rights that it has, stipulated in the Constitution.

The National Housing Institute and the National Institute of Tourism may jointly issue any regulations that prove necessary for implementation of the special system cited in this article.

Article 110. The Executive Committee of the Council of Ministers or its president may decide, in the case of dwellings located in certain areas of the country, that all or some of the functions that this law attributes to the local organs of the people's government or to their administrative directors are to be assumed by another entity or national agency, or require some supplementary approval from said entity or agency, including control of exchanges.

Chapter VIII

On Illegal Occupants

Article 111. To be considered illegal occupants for purposes of the provisions of this law, and to be declared such by the pertinent Municipal Housing Directorate, are persons who, whether or not they have previously been declared illegal, and whether or not they are paying for the occupation of the dwelling, were in any of the following situations before 1 January 1985:

a) Have entered the dwelling that they occupy without authorization from any entity;

b) Have occupied the dwelling of a person residing elsewhere in the country, or performing an official mission abroad, without authorization from the owner, usufructuary, or legitimate occupant of the dwelling;

c) Have occupied, without authorization from its owner or usufructuary, an individual dwelling in part of the building which, as a whole, belongs to said owner or is the object of a usufruct contract;

ch) Have constructed and are occupying a dwelling built on land known to be owned by another person who has not agreed to said building, or on state land without any authorization;

d) Are occupying a dwelling whose owner or usufructuary has left the national territory definitively, unless they are a spouse (of a marriage, whether formalized or not), ex-spouse, or relative up to the fourth degree of kindred of the absent person, and had remained residing in the dwelling for 5 years before the owner's departure;

e) Have been occupying a dwelling whose owner or usufructuary has died or has not resided in the dwelling, with the consent of the owner, at least 2 years before his death, in cases of an ex-spouse and relatives up to the fourth degree of kindred, and for 5 years in other cases; or who, even if they meet the requirements for degree of kinship and cohabitation period, have been deprived by the competent authorities of the right to occupy the dwelling for having acted in bad faith and with obvious selfishness, taking advantage of the special circumstances of persons needing assistance, to take possession of the dwelling upon the death of the latter;

f) Totally or partially occupy a dwelling in which they have performed the work of a domestic employee;

g) Totally or partially occupy, as a dwelling, a building in which they have or have not performed work activities, and whether or not they are still performing such activities in the first instance, provided that the property is being or has been used as a school, as student housing, or for a purpose other than that of housing;

h) Totally or partially occupy premises or a dwelling in a multifamily building in which they have performed the duties of superintendent.

The declaration as an illegal occupant and its effects will apply to all persons who occupy the dwelling illegitimately.

The order from the Municipal Housing Directorate containing the declaration of an illegal occupant may not be appealed with executive or judicial action.

Article 112. The pertinent Municipal Housing Directorate will resolve the situation of the illegal occupants cited in the preceding article through one of the following measures:

a) Reinstatement of the illegal occupants in their original dwellings;

b) If the foregoing is not feasible, relocation of the illegal occupants in another state-owned dwelling or room that is available;

c) If what is provided in sections a and b is unfeasible, the dwelling illegally occupied may be assigned, adhering to the established policy and order of priorities, to another person who is legitimately occupying a dwelling or room and who agrees to move to the one being occupied illegally, turning over to the state his dwelling or room, in which the illegal occupant will be relocated.

In the cases cited in sections b and c, the relocated illegal person may purchase the dwelling in question if it is not a room, and must pay the legally stipulated price.

Article 113. Within the 10 calendar days following the date on which the Municipal Housing Directorate ordered any of the measures cited in the preceding article, if the affected occupants refuse to comply with it, the Municipal Directorate will notify the entities from which all the illegal occupants of the dwelling in question receive their income of their obligation to make a monthly deduction from that income for use of the property amounting to 30 percent of each income. If that situation continues for 3 months, the withholdings will

be increased to 50 percent, until all the illegal occupants have vacated the dwelling. The amounts deducted will be deposited in the state budget.

If the person from whom the deductions are being made has other demandable debts, the collection will be made with a prior deduction of the debts for alimony, housing payments, and bank loans.

Article 114. If the attachment time extends for over 6 months, and the illegal occupants have not complied with the measure ordered, or, without the lapse of that period, because the illegal occupants lack attachable income, or for any other justified reasons, the Municipal Housing Directorate may undertake to execute their reinstatement or relocation, if necessary seeking the aid of the National Revolutionary Police.

Article 115. The Municipal Housing Directorate will declare as illegal occupants persons who, after 1 January 1985:

a) Occupy a dwelling violently or clandestinely;

b) Occupy or remain occupying a dwelling whose owner has left the country definitively, unless they are a spouse (of a marriage, whether formalized or not), ex-spouse, or relative up to the fourth degree of kindred of the absent person, or had remained in the dwelling for a period of 5 years before the owner's departure;

c) Occupy or remain occupying a dwelling whose owner has died, without the occupant's entitlement to inherit it, if said occupant has not resided in the dwelling, with the owner's consent, for at least 2 years before the latter's death, in the case of an ex-spouse or relative up to the fourth degreee of kindred, and for 5 years in other cases, or who, even though meeting the requirements for degree of kindred and cohabitation period, have been deprived by the competent authorities of the right to occupy the dwelling for having acted in bad faith and with obvious selfishness, taking advantage of the special circumstances of persons needing assistance, to take possession of the dwelling upon the death of the latter;

ch) Deliberately put themselves in a state of insolvency so as to evade for over 3 months the payment of a debt to the People's Savings Bank in connection with the acquisition of ownership of the dwelling, provided it is impossible to collect this through deductions from the income of the joint debtors solidarily liable for the debt. In such cases, the illegal occupant will lose his right to ownership of the dwelling, which will be transferred to the state, represented by the People's Savings Bank.

d) Remain in a linked or basic resource dwelling, or on the premises of the superintendent of a multifamily building after the cessation of their right to occupy that dwelling or those premises, based on the regulations issued for this purpose by the National Housing Institute;

e) Construct without authorization or with materials the purchase of which they cannot prove, or occupy a dwelling built on state-owned land, land owned by another person, or land of unknown ownership;

f) Occupy or remain occupying without entitlement thereto, a state-owned dwelling or premises made available for rental.

Those declared illegal for incurring such conduct will be immediately evicted from the property by the Municipal Housing Directorate, with the aid of the National Revolutionary Police, if necessary, without any obligation to relocate them.

Despite the foregoing, in the instances cited in sections b, c, d, e, and f of this article, the Municipal Housing Directorate may opt to notify the entities from which those declared illegal occupants receive their income of their obligation to make a monthly deduction from that income amounting to 50 percent, until all those declared illegal occupants have vacated the dwelling.

The decision of the Municipal Housing Directorate containing the declaration of an illegal occupant will not be appealable with executive or judicial action.

Chapter IX

Registry of Housing and Vacant Lot Ownership

Article 116. The Registry of Housing and Vacant Lot Ownership is created, under the Municipal Housing Directorates, in which will be recorded the documents accrediting rights to housing and vacant lots acquired prior to the effective date of this law, all the transfers of ownership occurring under the aegis of the provisions of this law, and any other circumstances decided by the National Housing Institute.

The National Housing Institute will decide the occasion and the order wherein the documents cited in the preceding paragraph are to be recorded in the Registry.

Article 117. Titles of ownership of housing and vacant lots must be recorded in the Registry belonging to the municipality in which these properties are located.

Once the ownership title has been recorded, the registry will return it to the owner with a note of entry.

Article 118. The registry will be entirely responsible for certification of the titles submitted for entry, for purposes of determining their legal effecitveness in each instance; and it may also adjust the measurements and boundaries of the land on which the dwellings are situated, based on the legal justification of their acquisition.

There may be an appeal against the decision made by the registrar to the division of civil and administrative proceedings of the People's Provincial Court.

Article 119. Persons who construct or expand dwellings through their own effort, once the construction has been completed or the declaration of inhabitability has been procured, must declare this before a notary, through the execution of a public document on Project Description or Expansion, as the case may be, which must be submitted for entry in the registry belonging to the municipality in which it is located.

Article 120. The National Housing Institute will issue the standards and other regulations that must be observed in the Registry of Housing and Vacant Lot Ownership to ensure fulfillment of the provisions of this chapter.

Article 121. The notes of entry in the Registry of Housing and Vacant Lot Ownership will be taxed in the amount of 20 pesos, payable with tax stamps on documents.

Chapter X

Authority and Procedure To Resolve Claims of Rights and Lawsuits Involving Housing

First Section

Common Provisions

Article 122. The Municipal Housing Directorates will have the authority to hear and settle:

a) Claims of rights and fulfillment of obligations in the transfer of ownership stemming from the regulations contained in this law;

b) Claims of rights and fulfillment of obligations stemming from Chapter II of this law;

c) Lawsuits involving ownership of dwellings;

ch) Claims of rights, fulfillment of obligations, and lawsuits stemming from the implementation of the provisions in Chapter IV of this law.

Article 123. It will be incumbent on the division of civil and administrative proceedings of the People's Provincial Courts to hear claims against the decisions of the Municipal Housing Directorates, except in cases of illegal occupants, through the action that the corresponding law of procedure regulates.

In instances of conflicts resulting from recognition, concession, or claims of rights, those who were parties in the administrative process, as well as of the respondent administration, will be parties in the judicial process.

In accordance with the legislation in effect, there may be an appeal for cassation to the People's Supreme Court against the decision of the People's Provincial Courts.

Article 124. The decisions issued by the courts applying the provisions of this law, or any other related to housing, in the cases cited in the preceding article, will in any event by executed by the pertinent Municipal Housing Directorate, which will request the aid of the National Revolutionary Police when necessary.

Article 125. Case records may be demanded only by:

a) Natural persons who have the full exercise of their civil legal capacity;

b) Persons who, based on the legal, regulatory, or statutory provisions, have the representation of juristic persons. In any event, it will be presumed that the president, director, administrator, or official who exercises the maximum authority of a juristic person is authorized to represent the latter.

c) The Municipal Housing Directorates, ex officio, to determine the legal occupation of a dwelling.

Second Section

Procedure in Cases of Claims of Rights Before the Authorized Administrative Organs

Article 126. In cases of declaration of a right before the Municipal Housing Directorate, claims will be filed using one of the following actions:

a) In writing, without any formality, wherein there is a brief, clear statement of what is being claimed and the fundamental legal grounds for what is being sought, attaching any documents related thereto in the possession of the claimant, and citing any evidence that the latter may attempt to use;

b) Through the claimant's appearance before the official authorized by the chief of the Municipal Housing Directorate, who will draw up the records containing the claim and its grounds, and will attach the documents related thereto in the possession of the claimant, citing any evidence that the latter may attempt to use;

When the petition has been formulated, the case records will immediately be entered in the pertinent book.

Article 127. When the claim has been formulated, the Municipal Housing Directorate will order the submission of the evidence that is in order, which must be executed within a period of 20 business days following receipt of the claim.

Article 128. When the evidence has been submitted, the chief of the Municipal Housing Directorate will issue a decision within a period of 30 business days.

Article 129. There may be an appeal to the division of civil and administrative proceedings of the pertinent People's Provincial Court against the decision of the Municipal Housing Directorate chief, which must be filed within a period of 30 business days following the date of notification.

Third Section

Procedure in Cases of Conflicts Resulting from Recognition, Concession, or Claim of Rights

Article 130. In cases wherein, as a result of the recognition, concession, or claim of a right, a conflict occurs, the affected party may file the pertinent claim before the Municipal Housing Directorate, using one of the following actions:

a) In writing, without any formality, in which there is a brief, clear statement of what is being claimed, and the facts and legal grounds of what is being sought, attaching the documents related thereto in the possession of the claimant and submitting any evidence that the latter may attempt to use;

b) Through the claimant's appearance before the official authorized by the chief of the Municipal Housing Directorate, who will draw up records containing the claim and its grounds, and will attach the documents related thereto in the possesion of the claimant, citing any evidence that the latter may attempt to us.

When the petition has been formulated, the case records will immediately be entered in the pertinent book.

Article 131. The summons of the person against whom the claim is directed must be issued within the following 10 business days, through an official document or notice that will contain the title or domicile of the organ ordering it, the name of the one submitting the case records and the latter's number, attaching a copy of the initial document or record and of the documents submitted by the claimant.

When the hearing is held, the person to whom it is directed will be informed that he must execute the response procedure, verbally or in writing, within the 10 business days following the date of the summons, attaching the documentary evidence available, and proposing other evidence that he deems befitting his right, to the official authorized by the Municipal Housing Directorate chief, who will draw up records of his response.

Article 132. The summons must be made personally if possible; lacking this, through relatives or neighbors over age 18.

If the person with whom the hearing must be held refuses to sign, this will be recorded in the presence of a witness, and will serve all its purposes as if it had been held personally.

Article 133. When the period of the summons has elapsed without a response from the person against whom the claim is being made, the processing of the case records will be continued to his detriment.

Article 134. It will be incumbent on each party to prove the facts that he asserts and those that he cites in opposition to the representatives of the other parties, without precluding the authority of the acting authority to submit ex officio evidence.

Article 135. For the submission of the evidence to be admitted, a period not to exceed 20 business days after the date of the acting official's order will be granted.

Without precluding the evidence put forth and submitted by the parties, the acting official may submit, ex officio, within a period of 10 business days, that which he deems necessary for arriving at a total knowledge of the truth. This period may be extended for only 5 more business days when there are reasons so warranting.

Article 136. Before issuing a decision, the acting official in any stage of the proceedings may require the parties to appear, to question them about the facts of the lawsuit, provided that this is essential for a knowledge of the truth.

Article 137. When the evidence has been submitted and, if fitting, the results have been combined, the chief of the Municipal Housing Directorate will issue a decision within a period of 10 business days after the date on which the last hearing of evidence took place.

Article 138. The dissatisfied party may file a claim against the decision issued by the chief of the pertinent Municipal Housing Directorate within the 30 business days following the date of notification of the impugned decision, in the division of civil and administrative proceedings of the pertinent People's Provincial Court.

Article 139. Anyone who demonstrates a legitimate interest may intervene in the proceedings before the decision process to assert his right concerning the matter that is the object of the lawsuit, in relation to those who are parties thereto.

The intervention of third persons will not cause retroactivity in the proceedings, which will continue with their action, depending on their status; but after that time such persons may participate in them with the same rights and obligations given to the other parties.

Article 140. The acting official, ex officio or at the behest of either of the parties, will summon a third party to the proceedings when he thinks that the lawsuit should be conducted with the latter's intervention, because he believes that the decision issued may affect a right or legitimate interest of the third party.

Article 141. In the case of the preceding article, the acting official will order the third party summoned to appear, within the period specified for him, to uphold the right that he may possess.

In his written response, the third party must set forth the claims that he deems to be in his interest.

Article 142. If either of the parties so requests, the decision will be reported to someone who, without having been a party to the process, might be affected by the execution thereof.

Article 143. Every decision must be reported to the parties or to their representatives. This will be done with the delivery of a signed and sealed literal copy. When the notification hearing is not held with the parties, the stipulations contained in Article 131 for summonses will be applied.

Article 144. Provided the notification is made to a person other than those to whom it is directed, the person notifying will record the given name, surnames, and other general information on said person at the end of the minutes of the hearing held, which will be combined with the case records.

Chapter XI

On the National Housing Institute

Article 145. For the purpose of achieving the maximum possible fulfillment of the population's housing requirements, the National Housing Institute will have, in addition to the common ones stipulated in Article 52 of Decree-Law 67 of 1983 for the agencies of the Central State Administration, and the specific ones conferred in the preceding chapters of this law, the following principal powers and functions:

a) To issue or, if fitting, propose, in cooperation with the pertinent agencies, and to control the standards and other regulations for the distribution, acquisition, use, maintenance, repair, and reconstruction of housing, and the expansion and construction of new housing, including the granting of vacant lots for these purposes;

b) To approve the standard housing plans and issue or, if fitting, propose norms relating to the development and streamlining of the production of furnishings for housing;

c) To organize the control of the housing supply;

ch) To participate, based on the established methodology, in the devising of plans for investments in housing, infrastructure, and services directly linked thereto, as well as in the devising of those related to the maintenance, repair, and reconstruction of housing, and intended to control fulfillment thereof;

d) To establish and control standards for improved operation of the urban and rural settlements, and their social and services organization, as well as the care of multifamily buildings and the eradication of precarious conditions;

e) Any others assigned to it by the Council of Ministers.

Special Provisions

First: In the case of persons who, by virtue of the stipulations contained in Article 55, sections a and b, Article 78, and Article 81, and in the Eighth and Ninth Temporary Provisions of this law, benefit from the ownership of large properties that could be used for public utility or social interest, or be put to another more just and reasonable use for the benefit of the community, the state may allocate another dwelling to the occupant and retain the property for itself.

Second: The president of the National Housing Institute is authorized, by way of exception, to permit turnovers and transfers of ownership of dwellings and to set prices or monthly installments to be paid other than those stipulated in this law, without being subject to the requirements demanded in it, through a resolution with grounds, having heard the opinion of the executive committee of the provincial organ of the pertinent people's government.

Third: The resolutions of the Municipal Housing Directorate cited in Articles 111 and 115 of this law may be subject to revision, ex officio, or at the request of the party concerned, by the National Housing Institute, in instances wherein this agency thinks that they might have been founded upon a de facto or de jure error.

The National Housing Institute will regulate the pertinent revision procedure.

If the revision is declared in order, the president of said agency will cancel the resolution that is the object thereof, and will issue in its stead the one that is legally fitting to resolve the substance of the issue.

No appeal may be filed with either administrative or judicial action against the resolution that is issued for revision.

Fourth: In cases wherein, for reasons of public utility or social interest, the state, for the sake of the country's general development, should acquire or expropriate a personally owned dwelling for permanent occupation, the owner will be compensated with another one, insofar as possible geared to the dimensions of the affected dwelling, depending on the technical construction features and location of the dwellings that the state has available for such cases, without requiring payment of the difference in price if it should exist in the state's favor, unless the owner opts for charging the legal price. The state may decide on other types of compensation.

Fifth: All state entities, administrative offices of political, mass, and social organizations, and cooperatives, as well as any private employer, will be obliged to make, in the payments that they are required to make to their workers or to other persons, the deductions specified by this law for payment of prices for the purchase or rental of dwellings, or for repayment of loans granted for housing construction or repair, as well as to pay the deducted sums to the People's Savings Bank.

Sixth: Payments for housing or perpetual superficiary right to land that should have been made voluntarily and were not made within the following month will incurr a 10-percent surcharge on the amount that was supposed to have been paid. The amount of the surcharge will not amortize the payment of the price for the dwelling or land, as the case may be.

If the nonpayment for the dwelling extends for over 3 months, the Municipal Housing Directorate may order the deduction of the amounts owed from the income of any of the occupants of the dwelling involved.

In the cases of persons obliged to pay for perpetual superficiary rights who have not done so within the established period, the Municipal Housing Directorate may order the withholding of salaries, wages, assets, pensions, or any other periodic compensation, or other income earned by the debtor or, if need be, of any of the occupants of the dwelling constructed on the land in question, in the amount of 10 percent of their monthly income, until the total liquidation of the debt has been completed.

These withholdings will be transferred to the People's Savings Bank which, representing the state, will deposit them in the state budget.

If the occupants have no fixed income from which deductions can be made, steps will be taken by the Municipal Housing Directorate to attach the personal property of the debtor or the matrimonial community property that the latter has established if he is married, in an amount sufficient to cover the sum owed, in accordance with the administrative procedure for collection on personal breaches of contract.

Seventh: Grants of housing ownership and exchanges made with an ulterior motive of profit, amassment of wealth, or exploitation, in violation of the requirements and procedures ordered in this law, are illegal, and may be penalized with loss of the dwelling that was the object of speculation, and of the funds accrued from the sale or exchange, through a resolution, with grounds, from the Provincial Housing Directorate or the local organs of the people's government.

In the resolution per se, the declaration of the grantee or exchangers and other persons occupying the premises as illegals, and the transfer of ownership of the dwelling in the state's favor, will be ordered.

The claim authorized by the law in the division of civil and administrative proceedings of the pertinent provincial court may be filed against the resolution issued by the Provincial Housing Directorate, under the aegis of the provisions of the preceding paragraph.

Eighth: At the proposal of the Provincial Assembly of the People's Government of the City of Havana, the president of the National Housing Institute may decide that some of the functions attributed by this law to the municipal administrative organs and directorates in this province may be assumed on the corresponding provincial level, or require complementary approval on that level.

Ninth: It is incumbent on the State Committee for Labor and Social Security to pay the life insurance benefits resulting from the implementation of the Urban Reform Law, which will be subject to grounds of incompatibility, amendment, suspension, and abolishment of benefits stipulated in Law 24 of 1979, the Social Security Law.

Tenth: The Council of Ministers Executive Committee, at the proposal of the State Committee for Prices, the National Housing Institute, and the Physical Planning Institute, must establish, within a period of 90 days after the promulgation of this law, the legal price of vacant lots, on the following bases:

A basic price will be set in consideration of the area where the lot is located;

Lots purchased after 14 October 1960 will retain the price of the last transfer of ownership. Those purchased previously may have a price increase, provided that the area in which they are located was urbanized prior to the aforementioned date.

In any event, the price of urban vacant lots will not be less than 1.00 peso nor higher than 8.00 pesos per square meter.

Every 5 years, the Council of Ministers Executive Committee will revise the system for prices set on vacant lots.

Eleventh: The Council of Ministers, in approving the guideline figures for the Single Socioeconomic Development Plan, will take into account the necessity for gradually creating a reserve housing supply that will foster solutions to relocate the occupants of dwellings which are linked or basic resources, whose right of occupation has terminated, in order to maintain assurance of the activities for which they are intended, and of the country's defense, primarily.

Twelfth: The authority and functions legally assigned to the Ministry of Justice concerning National Patrimony and the Registry of Ownership associated with urban housing and land are transferred to the National Housing Institute, as of the effective date of this law.

Temporary Provisions

First: The juridical relations established and the rights acquired under the aegis of Law No 48 of 27 December 1984 retain their validity, but their effects subsequent to the effective date of this law are governed by its provisions.

Second: Exchanges in which onwers and tenants are joint parties will be negotiated based on the regulations currently in effect, until the National Housing Institute regulates the procedure for such exchanges.

In cases wherein one or more exchangers competing as onerous usufructuaries are involved, the Municipal Housing Directorate will record in the exchange resolution acknowledgment of the date of the usufruct contract for the dwelling that is the object of the exchange, a date which will be taken into account for subsequent application of the stipulations in the Eleventh Temporary Provision of this law insofar as setting the price for the transfer of ownership is concerned.

The same treatment will be accorded, when fitting, to onerous usufructuaries who accredit the fact that, at a date after 30 June 1980, they received the usufruct of the dwelling that they occupy through an exchange, based on a grant from a spouse (of a marriage, whether formalized or not), an ex-spouse, an ascendant, or a descendant, or in exchange for another state-owned dwelling.

Third: The authority granted to the owner by Article 64 of this law may not be exercised against persons who, at the time of its promulgation, were in any of the following situations:

Cohabitants of the property before 14 October 1960;

Cohabitants who were such of the previous owner and, because of death or departure from the country, ownership has been transferred to another person;

Persons who have have built expansions on the dwelling with authorization from its owner;

Those who have effectively contributed to the purchase of the dwelling, as in the case of exchanges or turnovers of two houses for one, persons who paid the price of the dwelling because the purchaser was a minor or insolvent, and other similar cases to be decided upon by the president of the National Housing Institute;

Those who have effectively contributed to the reconstruction of the dwelling, as in the case of personally owned dwellings in poor condition which are rebuilt by the owner's cohabitants, or at the expense of matrimonial community property, and other similar cases to be decided upon by the president of the National Housing Institute.

Fourth: When a multifamily building or a housing community has heen built to ensure the work force for a certain state entity or organization, and is occupied as of the date of promulgation of this law only partially by personnel from the entity or organization, all the apartments or dwellings may be declared linked or basic resources.

Fifth: Apartments which, as of 1 January 1985, were occupied by the superintendent of the multifamily building rendering his services in the same building in which he resides will not be considered common elements if the owner or onerous usufructuary of such an apartment is involved.

Sixth: The substantive provisions stipulated by this law will be applied to matters under negotiation on any administrative or judicial level at the time of its promulgation; as well as to the proceedings on illegal occupants and lawsuits between owners and cohabitants which are in the Municipal Housing Directorates or in the process of revision, awaiting execution; all of which will continue to be negotiated in accordance with the procedure whereby they were initiated.

Seventh: Despite the provisions in Article 49 of this law, a period of 2 years is granted to enable onerous usufructuaries and legitimate occupants to opt to acquire ownership of the dwelling that they occupy.

Eighth: For purposes of the provisions of Article 49 of this law, and of the preceding provision, to be considered an onerous usufructuary from the date of the usufruct contract (or, in its absence, from the date of the first monthly installment paid by the holder of the usufruct right to the dwelling in question) is any person who has been occupying a dwelling before 1 January 1985 and who is obliged to pay a monthly price for that occupation, whether it be to the state or to the state entity that was assigned the dwelling, in any of the following instances:

a) The occupant is the holder of the usufruct right;

b) The one appearing as holder of the usufruct right is a spouse, ex-spouse, ascendant, or descendant, if the holder of the right has moved from the domicile at a previous date;

c) The one appearing as holder of the usufruct right is definitively absent, because of having left the national territory, provided that the occupant is a spouse (of a marriage, whether formalized or not), an ex-spouse, or a relative of the owner up to the fourth degreee of kindred, and had resided in the dwelling for at least 5 years before the owner's absence, and provided that he was not owner of another, or a tenant, after the lapse of the period cited in the Seventh Temporary Provision of this law;

ch) The one appearing as holder of the usufruct right has died, if the occupant had resided in the dwelling with the owner's consent for at least 2 years before the death, if he is an ex-spouse or relative up to the fourth degree of kindred, and for 5 years in other cases, and provided that he is not owner of another dwelling.

In the cases of sections b, c, and ch, the declaration of onerous usufructuary will be made, at the request of the party concerned, by the Municipal Housing Directorate.

If more than one person claims the status of onerous usufructuary under the aegis of the provisions contained in any of said sections, and proves to be in the pertinent situation, he will be granted the right to act as head of the family group occupying the dwelling, provided that he resides in it; but if that status cannot be accredited, the same rights will be recognized for the claimants who have proven to be in any of the situations cited in said sections and who have the ability to contribute to payment or to pay the total price of the dwelling.

Despite the provisions of sections c and ch of this article, the executive committee of the municipal organ of the people's government, when there are reasons so warranting, may define the occupant of the dwelling as onerous usufructuary, through a resolution with grounds, even though he may not meet the requirements for kinship and cohabitation time, following the definitive departure from the national territory or death of the one appearing as holder of the right.

If the occupant has continued paying the pertinent monthly installments for usufruct of the dwelling, he will be considered usufructuary after the date of departure from the country or death, as the case may be.

Those acting in bad faith and obvious selfishness, who have taken advantage of the special circumstances of persons needing assistance, to take possession of the dwelling upon the death of the latter, incurring indecent, antisocial, and inhumane conduct, may be deprived by the competent authorities of the benefits of this provision.

Ninth: For purposes of the provisions of Article 49 and the Seventh Temporary Provision of this law, any person who had been occupying a dwelling prior to 1 January 1985 and is in any of the following situations will be considered a legitimate occupant:

a) One who has occupied with authorization from its owner, and is still permanently occupying, as if it were his own, a dwelling owned by a person residing permanently in it, or in another municipality of the country, provided that the occupant has been declared a gratuitous usufructuary or, if he has not been so declared, the owner has not refused him his authorization;

b) One who has occupied with authorization from its owner, and is still permanently occupying, as if it were his own, an individualized dwelling, with an independent entrance and its own services, in a part of the building which, as a whole, belongs to said owner;

c) One who is occupying permanently, or as a recreational site, adwelling that the occupant has built at his own expense on a vacant lot or on land acquired from another person, through a private document granted by a state authority, or the owner of which is not known;

ch) One who is occupying permanently, or as a recreational site, a dwelling that the occupant has built on the terrace of a building, with the express or tacit consent of the persons entitled to said terrace;

d) One who has received an uninhabitable dwelling assigned to him as such, has totally rebuilt it at his own expense, and is occupying it as a gratuitous or onerous usufructuary;

e) One who, having received the gratuitous usufruct of a room, has executed, at his own expense, expansion work that has converted said room into a suitable dwelling;

f) One who is permanently occupying a dwelling whose owner is definitively absent because of having left the national territory, provided that the occupant is a spouse (of a marriage, whether formalized or not), ex-spouse, or relative of the owner up to the fourth degree of kindred, and had resided in the dwelling for at least 5 years before the owner's departure from the country, and provided that he does not have equal title to another dwelling;

g) One who is permanently occupying a dwelling whose owner has died, when the occupant is not entitled to the inheritance, provided that the occupant had resided in the dwelling, with the owner's consent, for at least 2 years before the latter's death, in the case of an ex-spouse or relative up to the fourth degree of kindred, and 5 years in other cases, without precluding the rights that this law grants to the heirs of the predecessor in title, and provided that he is not owner of another dwelling;

h) One who has occupied, with the usufructuary's authorization, and is still permanently occupying with the same authorization, an individualized dwelling with an independent entrance and its own services, in a building which, as a whole, is the object of a usufruct contract; unless there has been a prior distribution of the property, in which case the stipulations in the preceding special provision will be applied to each;

i) One who, with the proper state authorization, is permanently occupying a state-owned dwelling without any payment, because this has been ordered by a competent authority, and one who, based on a decision with grounds from a competent authority, has been released

from the obligation to pay for usufruct of the dwelling that he occupies; in both instances, with the exception of cases involving social assistance.

The declaration of legitimate occupant will be made, at the request of the party concerned, by the Municipal Housing Directorate, which will also decide whether it will be incumbent on him to pay the price for transfer of ownership and, if so, the total amount of the latter and that of the monthly payments.

The executive committee of the municipal organ of the people's government may also declare as legitimate occupants, through a resolution with grounds, other persons who, not being onerous usufructuaries nor being able to identify themselves with any of the situations described in the sections of this article, accredit that they are in a similar situation, even though they may not totally meet the requirements cited in the sections of this article.

If more than one person claims the status of legitimate occupant, and proves to be in the pertinent situation, he will be granted the right to act as chief of the family group occupying the dwelling, provided that he resides in it; but if that status cannot be accredited, the same rights will be recognized for the claimants who have proven to be in one of the situations cited in the sections of this article, and have the ability to contribute to the payment or to pay the total price of the dwelling.

Those acting in bad faith and with obvious selfishness, who have taken advantage of the special circumstances of persons needing assistance, to take possession of the dwelling upon the death of the latter, incurring indecent, antisocial, and inhumane conduct, may be deprived by the competent authorities of the benefits of this provision.

Tenth: Persons who are declared legitimate occupants in accordance with the provisions of sections a, b, c, ch, d, and e of the preceding provision will receive ownership of the dwelling without any payment made meanwhile.

In the case of section c, if the land owner is not known, the right of the legitimate occupant will be limited to acquisition of ownership of what has been constructed, and he must pay the price of the perpetual superficiary land right to the state, without precluding the subsequent restoration thereof to the owner of said land, if he should claim it.

In the case of section g, if the heirs waive receipt of the dwelling's legal price, the legitimate occupant will receive its ownership without any payment; otherwise, the dwelling will be transferred to him for the legal price, which will be turned over to the heirs who prove entitled to receive it.

Persons who are declared legitimate occupants in accordance with the stipulations in section i of the preceding provision will receive ownership of the dwelling, whether or not they pay the price of the transfer, as determined by the National Housing Institute, based on a group of cases.

The firm resolution in the cases cited in this article wherein no payment is in order will be considered an ownership title, and will contain all the necessary elements for that purpose, including a suitable description of the dwelling.

Eleventh: For onerous usufructuaries, the price of the transfer will be the result of multiplying the amount of the monthly installment paid in October 1984, or the first monthly installment paid if the usufruct is at a subsequent date, by the sum of the monthly installments for 20 years, minus the amount of the monthly installments paid from the date at which he was considered an onerous usufructuary until 30 June 1985; and this operation may not result in the transfer price being less than:

a) 5 years of usufruct, in the case of dwellings built up until 1940;

b) 7 years of usufruct, in that of dwellings built between 1941 and 1950;

c) 9 years of usufruct, in that of dwellings built between 1951 and 1960;

ch) 11 years of usufruct, in that of dwellings built between 1961 and 1970;

d) 13 years of usufruct, in that of dwellings built after 1970.

Payments of monthly installments dated after 30 June 1985 will be considered as payment for the right of ownership.

Twelfth: For legitimate occupants, the purchase and sale price will be that stipulated in Article 42, section b, of the law.

Anyone purchasing the dwelling must pay, in addition to the aforementioned price, the corresponding bank interest.

The price for transfer of ownership must be amortized in 15 years, through equal monthly installments, but the amount of the resulting monthly installment plus the pertinent bank interest must not exceed 10 percent of the income of all those residing in the dwelling. The monthly installment will be set considering that limit, and the amortization period will be extended insofar as necessary. The amount of the monthly installment will also be defined by the Municipal Housing Directorate.

In the case of section f of the Ninth Temporary Provision, if the definitively absent person has been co-owner of the dwelling, the co-owner who has remained in it will be entitled to purchase the former's share through payment to the state of the pertinent share of the legal price of the dwelling.

Thirteenth: Upon execution of the purchase and sale contract, the onerous usufructuaries may opt to pay the amount cited in the preceding provision as a price of the dwelling that they are purchasing.

In instances wherein this option is taken, the monthly amounts of the price to be paid, including bank interest, will be equal to the monthly installment paid for usufruct relating to October 1984, or the first monthly installment paid if the usufruct was at a later date.

Fourteenth: The payments made by the onerous usufructuary after July 1985 will be credited to his account for the transfer price.

If, on the other hand, when the negotiations for transfer of ownership of the dwelling are carried out, there are arrears in payment for the usufruct, and the debtor does not pay it at that time, its amount will be added to the transfer price, including in that sum a surcharge of 10 percent of the monthly installments to be paid, but not the amount of each monthly payment if the arrears do not exeed 3 months. However, if they are larger, the amount of the monthly installments to be paid will be increased and not the number thereof, provided that the monthly installment to be paid does not exceed 10 percent of the income of the family nucleus occupying the dwelling. For any amount exceeding 10 percent, the number of monthly installments will be raised.

Fifteenth: The legitimate occupants who must pay the transfer price, bound to that payment since July 1985, will pay a monthly installment reckoned according to the price bases cited in Article 42, which they will do through a sworn statement that they will submit to the People's Savings Bank or the Municipal Housing Directorate, including therein the calculation of said price. When the resulting monthly installment exceeds 10 percent of the income of the cohabiting nucleus, it will be adjusted to that limit.

These payments will be made on a provisional basis, through withholding from the beneficiary's periodic income or, if the latter does not exist, through payments made by the beneficiary to the People's Savings Bank, until the Municipal Housing Directorate declares the legitimate occupation and determines the pertinent legal price.

In cases wherein the status of legitimate occupant is declared, what has been paid will be considered credited to the price.

If the declaration of legitimate occupant is not agreed to, what has been paid will be considered a price for use of the property, and the provisions of Article 112 regarding illegal occupants will be applied to the occupant.

Sixteenth: For the transfer of ownership to onerous usufructuaries or legitimate occupants, the provisions stipulated in the Second Section of Chapter III of this law will be applied in the pertinent instances.

Nevertheless, for purposes of the contract, if the onerous usufructuary or legitimate occupant is married, the contract will be executed in favor of both spouses, unless one of them does not occupy the dwelling, in which case the contract will be executed in favor of the one occupying it, and its ownership will not be part of the matrimonial community property. If the onerous usufructuary or legitimate occupant is divorced, and resides in the dwelling with his ex-spouse, the contract will be executed in favor of both only in the event that the usufruct was granted during the marriage or if they began occupying the dwelling together.

Seventeenth: Persons who, on the date that this law goes into effect, are occupying dwellings with the status of purchasers, under the aegis of the Urban Reform Law, and have continued paying the monthly installment stipulated for this, they must undertake to transfer the ownership thereof through a purchase and sale contract with the People's Savings Bank, for the balance of the portion of the legal price set by said law that they have not yet paid.

Eighteenth: The following cases are exceptions to the transfer of ownership cited in the preceding provisions of the law:

a) Dwellings occupied by heirs of the owner to whom said dwelling has not yet been awarded. In this instance, the provisions of this law on transfer of rights upon the owner's death will be applied;

b) Dwellings consisting of a sole, single, or added room, which do not have complete services of their own, and have not been converted into an adequate dwelling through expansion work, whether or not they are located in rooming houses; garages or other premises in similar condition; uninhabitable dwellings that cannot possibly be repaired; and those built with waste materials and those which are unhealthy; all of whose occupants will continue to reside in them free of charge;

c) Dwellings whose occupants are receiving social assistance benefits for this purpose. So long as they remain in that situation they will continue to occupy them without making any payment meanwhile, but on the date that they stop receiving those benefits, because their ability to pay has improved, they will be considered legitimate occupants, to whom it will be fitting to transfer ownership of the dwelling through payment of the pertinent transfer price;

ch) Dwellings that have been considered and declared basic resources of the state organs, agencies, or enterprises, or of political, social, and mass organizations, or which have been considered and declared as dwellings linked to any of said entities. The regulations issued for this purpose by the National Housing Institute will be applied to such dwellings;

d) Dwellings leased for embassies or other foreign delegations of any type, or to diplomatic or consular officials, technicians, or other foreigners who are not permanent residents. These dwellings will be maintained as basic resources of the leasing state entity;

e) Dwellings located on land of agricultural-livestock production cooperatives, to which the provisions of Law 36 on Agricultural-Livestock Cooperatives, dated 22 July 1982, will be applied;

f) Dwellings owned by a small farmer, located within the area of the property owned by him, to which the provisions in Article 108 of this law will be applied;

g) Dwellings occupied illegally, to which the provisions in Chapter VIII of this law will be applied;

h) Dwellings or premises that the state has made available for rental, based on the stipulations in sections a, b, and c of Article 49 of this law.

Final Provisions

First: The creation of the National Housing Institute made effective by Law No 48 of 27 December 1984 is ratified;

Second: The cancellation made in Law No 48 of 27 December 1984 of the debts still owed to the state by owners of dwellings for mortgage loans pending payment as of the date of promulgation of the Urban Reform Law is ratified.

Third: The president of the National Housing Institute is authorized to issue whatever orders and regulations may be necessary for purposes of fulfilling the provisions of this law.

Fourth: Law No 48 of 27 December 1984 is repealed as it is in effect at the time that this law is promulgated; also repealed are the laws, decree-law, decrees, regulations, and any provision opposing the fulfillment of the stipulations contained in this law.

Fifth: This law will begin to take effect as of its publication in the Official Gazette of the Republic.

Issued in the meeting room of the National Assembly of the People's Government, in the City of Havana, on 23 December 1988.

Severo Aguirre del Cristo

I certify: that this copy agrees with its original signed on its date.

Havana, 8 February 1989, "31st year of the revolution."

Ernesto Suarez Mendez

Secretary

National Assembly of the People's Government